

Introduced by Senator Lowenthal

February 19, 2010

An act to add Chapter 3 (commencing with Section 42280) to Division 18 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1299, as introduced, Lowenthal. Vehicles: vehicle miles traveled fee (VMT).

Existing law requires the Department of Motor Vehicles and the Department of the California Highway Patrol to each shall file, at least monthly with the Controller, a report of money received by the department covering all fees for applications accepted by the department and all other moneys received by the Department of Motor Vehicles under the Vehicle Code and, at the same time, to remit all money so reported to the Treasurer.

Existing law requires, not later than January 10 of each 4-year period after January 10, 1985, the Secretary of the Business, Transportation and Housing Agency to submit a report to the Legislature on a study of the fees imposed under the Vehicle Code, including any finding or recommendation on changes in the fees necessary to generate sufficient revenues for the Motor Vehicle Account in the State Transportation Fund to finance those operations of state government to be financed from those revenues.

This bill would require the Department of Motor Vehicles to develop and implement, by January 1, 2012, a pilot program designed to assess the following issues related to implementing a vehicle miles traveled (VMT) fee in California. The bill would also require the department to prepare and submit a specified report of its findings to the policy and fiscal committees of the Legislature no later than June 30, 2012.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 3 (commencing with Section 42280) is added to Division 18 of the Vehicle Code, to read:

CHAPTER 3. VEHICLES MILES TRAVELED (VMT) FEE

42280. The Legislature finds and declares all of the following:

(a) The federal Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) (Public Law 109-59), established the National Surface Transportation Policy and Revenue Study Commission to examine the condition and future needs of the nation’s surface transportation system, as well as short- and long-term alternatives to the fuel tax.

(b) The search for an alternative means of revenue is driven by a combination of factors, including the diminishing value of the fuel tax, declining supplies of conventional petroleum-based fuels, and increasingly fuel-efficient vehicles. These factors contribute to a growing disparity in the revenue needed to fund the transportation system with the revenue available.

(c) After months of study, the commission issued its report in December 2007. Among its recommendations was consideration of a mileage-based user fee, also referred to as a vehicle miles traveled (VMT) fee.

(d) Implementing a VMT fee, however, involves a number of technological and institutional challenges, including establishing the method for calculating the mileage driven, the process by which mileage data is transmitted to a tax collection agency, contingencies to address potential equipment failures, adequate privacy protections, and a strategy for transitioning from the fuel tax to this new method of fee payment.

42281. (a) The department shall develop and implement, by January 1, 2012, a pilot program designed to assess the following issues related to implementing a vehicle miles traveled (VMT) fee in California:

(1) Different methods for calculating mileage.

1 (2) Processes for transmitting data to protect the integrity of the
2 data and ensure drivers' privacy.

3 (3) Types of equipment that may be required of the state and of
4 drivers in order to implement a VMT fee, including a discussion
5 of the advantages and disadvantages of the equipment and
6 contingencies in the event of equipment failure.

7 (b) The department shall prepare and submit a report of its
8 findings to the appropriate policy and fiscal committees of the
9 Legislature no later than June 30, 2012. The report shall include,
10 but not be limited to, all of the following elements:

11 (1) Recommendations regarding how best to implement a VMT
12 fee in a manner that minimizes confusion and inconvenience to
13 California's drivers while also ensuring their privacy.

14 (2) Given the technological and institutional demands associated
15 with implementing a VMT fee, a discussion of different processes
16 that may be used to transition from the fuel tax to a VMT fee over
17 time.

18 (3) A discussion of issues the Legislature may wish to consider
19 when evaluating whether and how to implement a VMT fee.